

**RECORD OF PROCEEDINGS
MINUTES
of the
Board of Water Commissioners**

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday July 27, 2016

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday July 27, 2016, beginning at 9:00 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

Penfield W. Tate, III, President
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President
Paula Herzmark, Vice President
H. Gregory Austin, Vice President

Board employees and others present during portions of the meeting were:

J.A. Anderson, Chief of Staff	M. King, Chief Planning Officer
A.C. Bricmont, Chief Financial Officer	J.S. Lochhead, CEO/Manager
G. Cagle, Chief Human Resources Officer	R.J. Mahoney, Chief Engineering Officer
S. Covington, Chief Public Affairs Officer	T.J. Roode, Chief Operations and
C.R. Dermody, Chief Information Officer	Maintenance Officer
B.D. Good, Chief Administrative Services	P.L. Wells, General Counsel
Officer	M. Elliott, Director Stakeholder Relations
K. Bates, Attorney	Y. Her, Contract Supervisor
T. Bryant, Controller	K. Knoll, Public Affairs Manager
Z. Campbell, Director Water Quality-	E. Martinez, Director HR-Total Rewards
Treatment	P. McCormick, Engineer Sr.
T. Cristiano, Finance Manager	R. Peters, Engineer Sr.
P.B. Coleman, Chief Internal Auditor	J. Seagren, Community Relations Sr.
R. DeCoursey, Finance Sr. Analyst	Specialist
R. Gallen, Contract Specialist	U. Sharma, Treasurer

Denver Water aspires to be the best water utility in the nation.
Integrity :: Vision :: Passion :: Excellence :: Respect



D. Hamm, Division Analyst
J. Adams, Trammel Crow
C. Birley, Davis Graham & Stubbs
S. Daldegan, Lakehurst Water
L. Ferguson, Trammel Crow
P. Fitzgerald, Platte Canyon Water & Sanitation District
A. Fortner, Davis Graham & Stubbs

S. Snyder, Communication Sr. Specialist
T. Lowe, Bancroft-Clover Water & Sanitation District
C. Pierson,
E. Rothstein, Galardi Rothstein
M. Spencer
M. Sullivan, Trammel Crow
L. Thompson, GRS

I. INTRODUCTORY BUSINESS

Commissioner Tate called the meeting to order at 9:14 a.m.

Public Comment and Communications

Commissioner Tate issued an invitation to members of the public to comment to the Board on any matters not included in the Agenda for the meeting.

Mr. Rothstein presented the Board with a Rate Model Modification Review. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit A. He noted that since December 2015, he and the Distributors have met several times with Denver Water staff and Denver Water's rate consultant to discuss concerns about the methodology for calculating the additional amount for outside-city customers. They identified ten optional methodologies, which were subject to four evaluation criteria: 1) equity and fairness; 2) simplicity and understandability; 3) stability; and 4) consistency with industry practice, the City Charter and contract requirements. Based on this evaluation, the group recommends a fixed percentage cost of service multiplier because it meets the four criteria and is consistent with Denver Water's move toward a regional cost of service analysis. Commissioner Tate stated that the Board is comfortable with the group continuing to pursue this approach and analyze different percentage amounts. The group plans to bring such analysis and further recommendations to the Board in September 2016.

III. POLICY PRESENTATIONS

1. ITEM III-A OCR UPDATE

Mr. Sullivan presented the Board with an OCR update. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit B. He explained that expenditures are \$4.5 million higher than projected for this time

period due to a \$2 million mobilization fee paid to Mortenson, more extensive soil remediation than anticipated and work being done more quickly than planned. It is projected that expenditures will be in line with forecasts beginning in January 2018. Mr. Lochhead said that due to the higher anticipated expenditures, RNL, Trammel Crow and Denver Water staff are meeting to discuss value engineering and other methods to ensure that the budget is met. They expect to bring a proposed solution to the project leadership team in August, 2016.

Phases 1, 2 and 3 are completed. Phase 4 is currently underway with construction of the fleet, meter and trades shops as well as the warehouse, central utility plan, data center and the enclosure for the generator. The project has exceeded the 12% MWBE design goal and will exceed the 18% MWBE construction goal.

II. ACTION ITEMS

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

2. ITEM II-A-1: FOURTH AMENDMENT TO CONTRACT WITH LEONARD RICE ENGINEERS FOR AQUIFER STORAGE AND RECOVERY PILOT PROJECT – CONTRACT 15911A

Approved the Fourth Amendment to Contract 15911A with Leonard Rice Engineers for the Aquifer Storage and Recovery Pilot Project. The amendment adds \$1,461,581 for a total amended contract amount not to exceed \$2,874,669.00.

3. ITEM II-A-3: AUDIO VISUAL MAINTENANCE SERVICES – CONTRACT 16680A

Approved Contract 16680A with LINX Multimedia, LLLP for audio visual maintenance services for the contract period August 1, 2016 through July 31, 2019, for a total contract amount not to exceed \$450,000.00.

4. ITEM II-A-4: AGREEMENT WITH COTTER CORPORATION REGARDING REIMBURSEMENT FOR GLENCOE VALLEY ROAD REPAIR AND CONSTRUCTION – CONTRACT 16821A

Approved Contract 16821A with Cotter Corporation for reimbursement for Glencoe Valley Road repair and construction for a total reimbursement amount not to exceed \$175,000.00.

5. ITEM II-A-5: NEW CONTRACT SUMMARY

The Board received a summary of new contracts valued between \$20,000.00 and \$100,000.00 for the Second Quarter of 2016.

IV. BRIEFING PAPERS & REPORTS

6. ITEM IV-A-1: NORTHWATER TREATMENT PLANT DESIGN PACKAGE (DP) #1,2 AND 3 PROCUREMENT

The Board received a Briefing Paper about the Northwater Treatment Plant Design Package (DP) #1, 2 and 3 procurement, a copy of which is attached to and incorporated in these Minutes as Exhibit C.

7. ITEM IV-A-2: REDUCING THE PAYROLL LAG

The Board received a Briefing Paper about reducing the payroll lag, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

8. ITEM IV-A-3: COTTER CORPORATION'S SCHWARTZWALDER MINE

The Board received a Briefing Paper about the Cotter Corporation's Schwartzwald Mine, a copy of which is attached to and incorporated in these Minutes as Exhibit E.

[Click here to enter text.](#)

9. ITEM IV-B-1: UPDATE ON CONTRACTS FOR THE STRONTIA SPRINGS DAM EMERGENCY RESERVOIR DRAINAGE SYSTEM (ERDS) REHABILITATION

The Board received a Report about the contracts for the Strontia Springs Dam Emergency Reservoir Drainage System (ERDS) Rehabilitation, a copy of which is attached to and incorporated in these Minutes as Exhibit F.

10. ITEM IV-B-2: CFO REPORT

The Board received the Monthly Financial Report dated June 30, 2016, as set forth in Agenda Item IV-B-1, which is attached and incorporated in these Minutes as Exhibit "G."

11. ITEM IV-B-3: OPERATIONS REPORT

Mr. Roode reported that the State Legislature recently changed the regulation for backflow prevention compliance and Denver Water has until 2020 to conduct an inventory of such devices and inspect them for compliance. Property owners who are out of compliance must pay to have a backflow preventer installed or maintained.

V. ADJOURNMENT

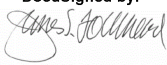
No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:18 a.m.


EXECUTIVE SESSION

On Wednesday July 27, 2016 , commencing approximately at 10:20 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matter, which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, was discussed during the Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:48 a.m.

DocuSigned by:

DEDE0A34B77B404...
Secretary

DocuSigned by:

FA08050E1F00412...
President